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CIA DISPUTES WARNING-TO-MEESE STORY

Casey memo denied

By JOSEPH VOLZ
and HARRISON RAINIE
News Washington Bureau

WASHINGTON — A CIA spokesman denied yesterday that CIA Director William Casey warned Attorney General Edwin Meese early last October that Iranian arms cash had been diverted to the Contras.

The CIA's version of events, as related by spokesman George Lauder yesterday, suggested that Casey waited almost two months—from Oct. 7 to some time after Nov. 25—to turn over materials detailing his suspicions to Justice.

The Daily News reported yesterday that Casey claimed he wrote a memo to Meese in early October, shortly after meeting with a New York businessman, Roy Furmark. Furmark represented Canadian businessmen who had loaned $20 million to the Iranians to buy U.S. arms but had not been paid. The Canadians suspected their cash had been sent to the Contras.

Lauder said that the Daily News account was "false" and that Casey sent "no such memorandum to the attorney general prior to Nov. 25," when Meese publicly revealed the Iran-Contra connection. He refused to discuss whether the memo had been sent after that date.

A presidential executive order requires federal officials to report any evidence of a crime to the Justice Department. The order was mainly designed for the National Security Agency, the supersecret Pentagon eavesdropping organization.

The Los Angeles Times reported yesterday that Deputy CIA Director Robert Gates said Lt. Col Oliver North told Casey about the Iran-Contra link in early October. Gates said North talked about the diversion at a meeting with Casey and other CIA officials on Oct. 8 or 9.

The Senate Intelligence Committee, meanwhile, rejected President Reagan's request that it grant limited immunity from prosecution to North and Adm. John Poindexter to compel them to tell what they know in the Iran-Contra scandal.

Both are former National Security Council officials at the center of the scandal who have refused to testify by citing their Fifth Amendment right against self-incrimination.

Committee leaders sent a letter to Reagan explaining that they thought it was "premature" to consider giving so-called "use immunity"—which is not as comprehensive as complete immunity—because the panel does not yet have all the evidence it wants and the granting of immunity would jeopardize potential criminal prosecutions in the scandal.

In another development, House leaders chose a 15-member select House committee, headed by Rep. Lee Hamilton (D-Ind.), now chairman of the House Intelligence Committee, to begin a Contragate investigation next month.

The Intelligence Committee neared the end of its work yesterday by getting secret testimony on the scandal from Defense Secretary Caspar Weinberger and Attorney General Edwin Meese.

Weinberger reportedly said he reluctantly agreed to ship arms to Iran despite his belief that the scheme was "not very wise."

Meese was questioned about his role in providing legal advice to Reagan approving the arms sales and keeping the affair secret from Congress.

There were these other developments in the story:

- Intelligence Committee member Sen. William Cohen (R-Me.) revealed that there was a "substantial" and possibly illegal markup in the price of weapons sold from the Pentagon via the CIA—and in some cases Israel and arms dealers—to Iran.
- Another committee member, Sen. Arlen Specter (R-Pa.), a former prosecutor, said the panel had seen enough evidence to justify a felony charge of "fraudulent conversion," but he refused to specify which person had committed the crime.

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